



Citizens' Climate Lobby



Citizens' Climate Education

Pricing Carbon

*A Game-Changing
Solution to Climate
Change*



National Options to Reduce Carbon Emissions

Government Regulations

Government Programs and Subsidies

Emissions Cap & Trade

Carbon Tax or Fee & Dividend

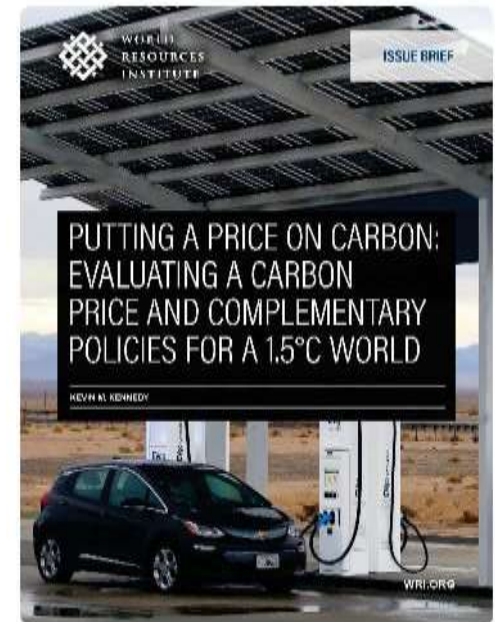
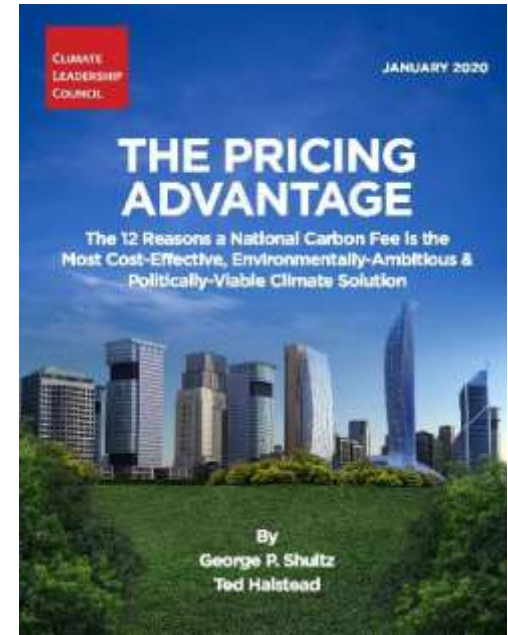
Government Programs & Regulations

New regulations and plans require additional government programs – how do we fund them?

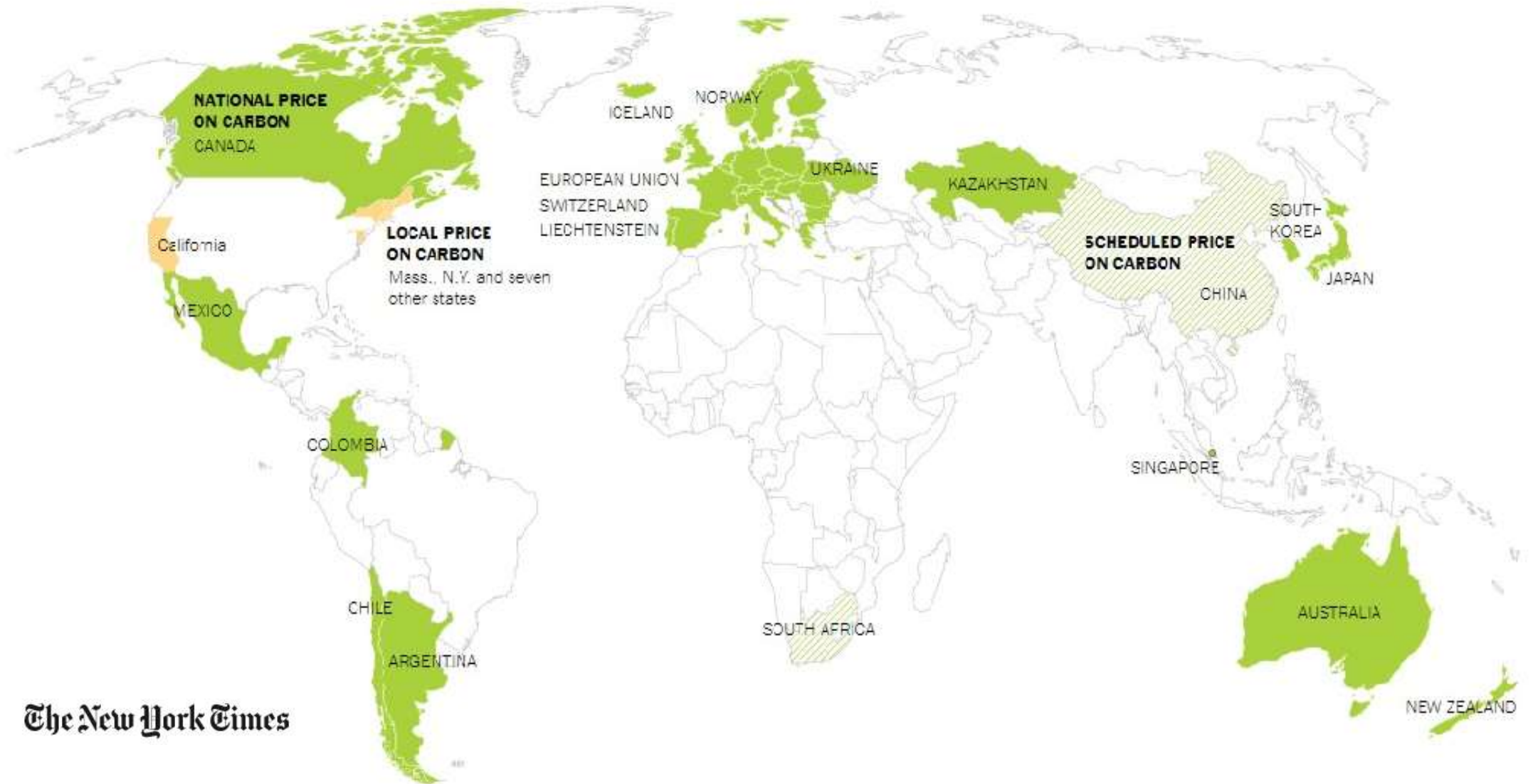
- Big price tags
- Size of government debated
- Unlikely to gain bi-partisan support

Government not good at picking winners & losers

- Unlikely to reach emissions targets
- Restricts individual/business choice
- Ignores benefits of market-driven solutions



Countries with Carbon Pricing – 2019

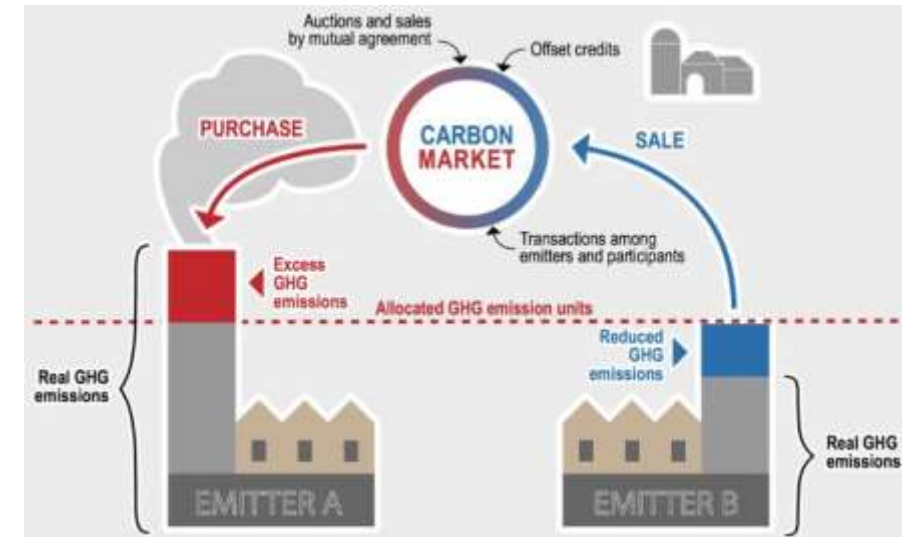


The New York Times

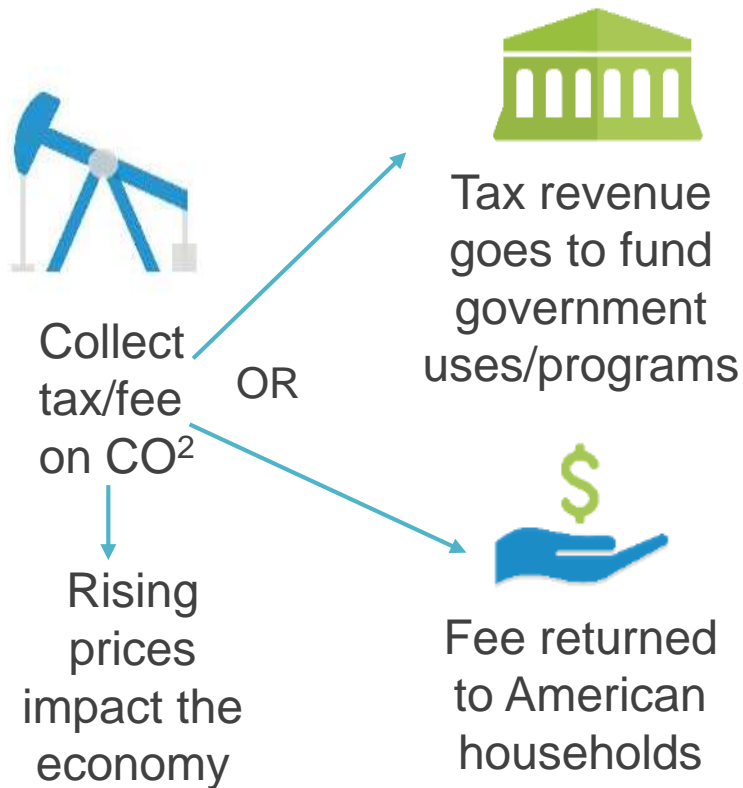
Emissions Cap & Trade

Emissions caps set then governments award or auction allowances

- Primarily target the energy production sector
- Complicated to set up and run
- Governments collect money for allowances and fines
- Companies can “game the system”
- Programs operating worldwide with varied success
 - Regional Greenhouse Gas Initiative – 9 Northeast States
 - California Greenhouse Gas Emissions Inventory Program (linked to Quebec Air Emissions Inventory Program)
 - European Union Emissions Trading Program



Carbon Tax



Fee & Dividend

Prices carbon at the point it enters the economy - pipeline, port, mine

Gradually-rising fee; program is self-financing

Revenue neutral if fees are returned to public; likely to receive bi-partisan support

Simple and transparent to set up and operate

Rising prices immediately influence public/market decisions and investments

Uses existing government infrastructure (Treasury, IRS)

Spurs conservation and entrepreneurial innovation on low or zero-carbon alternatives

HR 763 - Energy Innovation and Carbon Dividend Act

2018 – Carbon fee & dividend bill introduced in U.S. House of Representatives

2019 - Reintroduced –action unlikely until after 2020 election; 81 cosponsors

House Sponsors - 2019



(L-R) Bill sponsors Reps. Deutch, Rooney, Chu, Crist, Eshoo, Lipinski, and Peters

- 81 co-sponsors to date
- 117 municipal & tribal resolutions
- 1,500+ other endorsements
 - Community & national leaders
 - Businesses
 - Non-profits

Benefits



Effective



Good for people



Good for the economy



Bipartisan



Revenue Neutral

How it Works



Charge a fee on
fossil fuels at the
source

(mine, well, or port)

Return 100% of net
revenue to
households as a
dividend



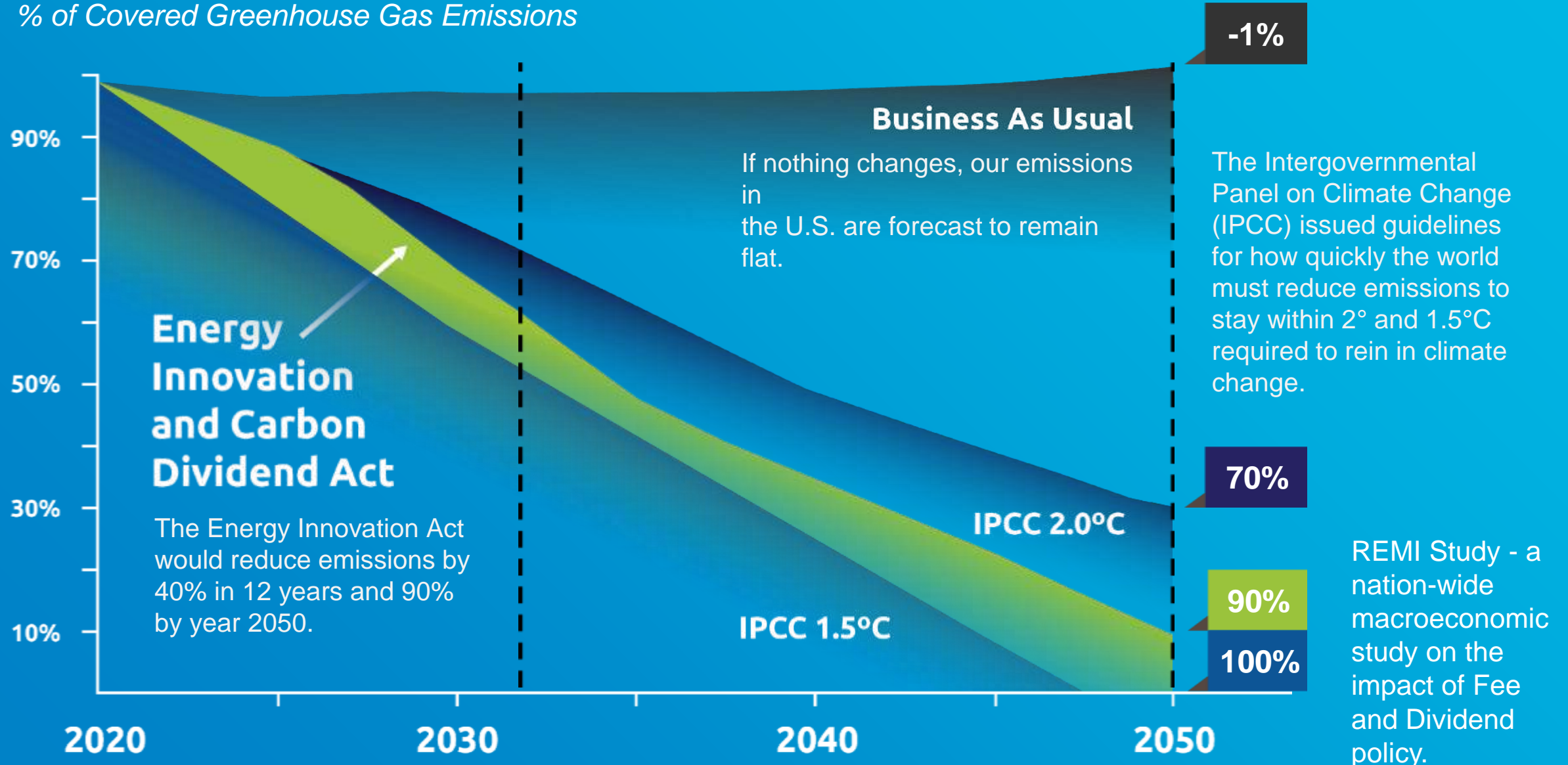
Carbon
Border
Adjustment



Limited
Regulatory
Adjustment

Energy Innovation Act Emissions Reductions

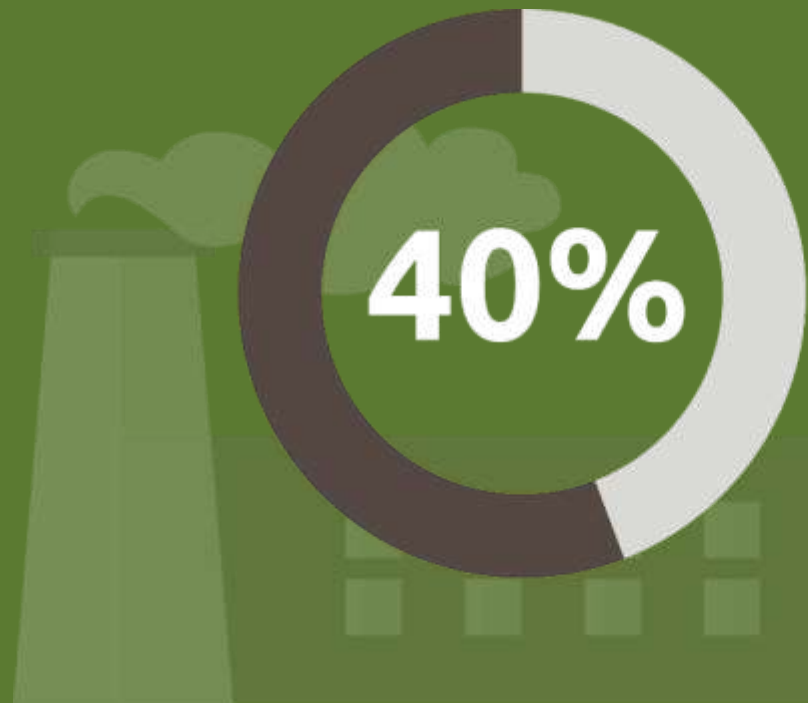
% of Covered Greenhouse Gas Emissions



Benefits



Effective



less
carbon
emissions
over the
next 12 years

Benefits



Good for People



Revenue Neutral

FAMILIES GET PAID

TODAY

\$0

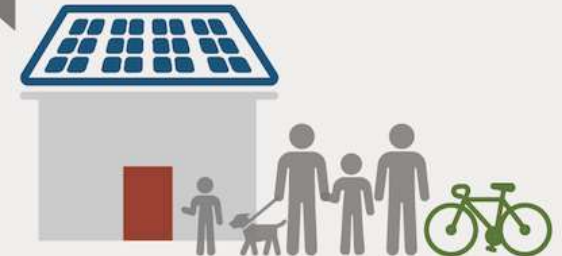
paid to households
in carbon dividends



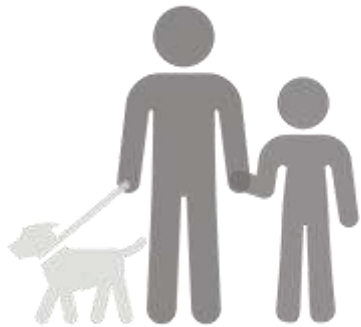
THE FUTURE

\$4,410

annual dividend for a family of 4
in year 10



Benefits



Good for People

A HEALTHIER ENVIRONMENT

TODAY

114,000 lives lost
each year due to air pollution



THE FUTURE

295,000 lives saved
through 2030 because
of better air quality



Benefits



Good for the
Economy

JOBS ARE CREATED

TODAY

\$240 billion

in annual costs from
environmental and health
harms of fossil fuels



THE FUTURE

2.1 million

jobs created over 10 years
in local communities



Energy Innovation and Carbon Dividend Act

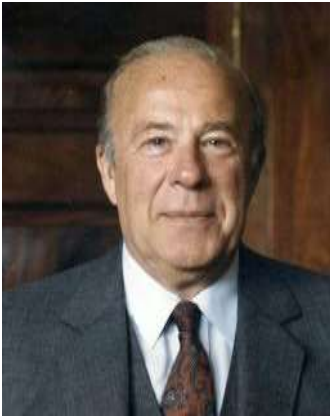
1. **Carbon Fee** - on fossil fuels starts low (\$15/ton) and grows over time (\$10/ton/yr). If targets not met, fees rise faster.
2. **Carbon Dividend** - allocated in equal shares every month to the American people (full share adults, ½ share children).
3. **Border Adjustment** - protects American business competitiveness; imported goods pay a border carbon adjustment; exported goods receive a refund.
4. **Regulatory Adjustment** - EPA pauses regulating CO² emissions for first 10 years; if targets not met, EPA regulations resume.

“No matter how political the background to this crisis may be, we must not allow this to continue to be a partisan political question. The climate and ecological crisis is beyond party politics. And our main enemy right now is not our political opponents. Our main enemy now is physics. And we can not make ‘deals’ with physics.”

Greta Thunberg



CLIMATE LEADERSHIP COUNCIL



George Schultz



James Baker



Climate Leadership Council is making the conservative case for carbon fee & dividend legislation

INDIVIDUAL FOUNDING MEMBERS



Ben Bernanke



Steven Chu



Ray Dalio



Martin Feldstein



Ted Halstead



Stephen Hawking



N. Gregory Mankiw



Paul Polman



Klaus Schwab



Tom Stephenson



Lawrence Summers



Ratan Tata



Rob Walton



Christine Todd
Whitman



Janet Yellen

“Carbon dividends is the free-market solution that would reduce emissions while growing our economy and driving innovation . . . and would ensure that American households come out ahead.”

Economist's Statement

Largest public statement in history
advocates carbon fee & dividend legislation

Signed by 3,554 economists

Wall Street Journal - Jan 17, 2019

Signed by:

- 4 Former Federal Reserve Chairs
- 27 Nobel Prize Laureate Economists
- 2 Former U.S. Treasury Secretaries
- 15 Former Council of Economic Advisors Chairs

Original Co-Signatories

George Akerlof
Nobel Laureate Economist

Robert Aumann
Nobel Laureate Economist

Martin Baily
Former Chair of CEA

Ben Bernanke
Former Chair of Federal Reserve
Former Chair of CEA

Michael Boskin
Former Chair of CEA

Angus Deaton
Nobel Laureate Economist

Peter Diamond
Nobel Laureate Economist

Robert Engle
Nobel Laureate Economist

Eugene Fama
Nobel Laureate Economist

Martin Feldstein
Former Chair of CEA

Jason Furman
Former Chair of CEA

Alan Greenspan
Former Chair of Federal Reserve
Former Chair of CEA

Austan Goolsbee
Former Chair of CEA

Lars Peter Hansen
Nobel Laureate Economist

Oliver Hart
Nobel Laureate Economist

Bengt Holmström
Nobel Laureate Economist

Glenn Hubbard
Former Chair of CEA

Daniel Kahneman
Nobel Laureate Economist

Alan Krueger
Former Chair of CEA

Finn Kydland
Nobel Laureate Economist

Edward Lazear
Former Chair of CEA

Robert Lucas
Nobel Laureate Economist

N. Gregory Mankiw
Former Chair of CEA

Eric Maskin
Nobel Laureate Economist

Daniel McFadden
Nobel Laureate Economist

Robert Merton
Nobel Laureate Economist

Roger Myerson
Nobel Laureate Economist

Edmund Phelps
Nobel Laureate Economist

Christina Romer
Former Chair of CEA

Harvey Rosen
Former Chair of CEA

Alvin Roth
Nobel Laureate Economist

Thomas Sargent
Nobel Laureate Economist

Myron Scholes
Nobel Laureate Economist

Amartya Sen
Nobel Laureate Economist

William Sharpe
Nobel Laureate Economist

Robert Shiller
Nobel Laureate Economist

George Shultz
Former U.S. Treasury Secretary

Christopher Sims
Nobel Laureate Economist

Robert Solow
Nobel Laureate Economist

Michael Spence
Nobel Laureate Economist

Lawrence Summers
Former U.S. Treasury Secretary

Richard Thaler
Nobel Laureate Economist

Laura Tyson
Former Chair of CEA

Paul Volcker
Former Chair of Federal Reserve

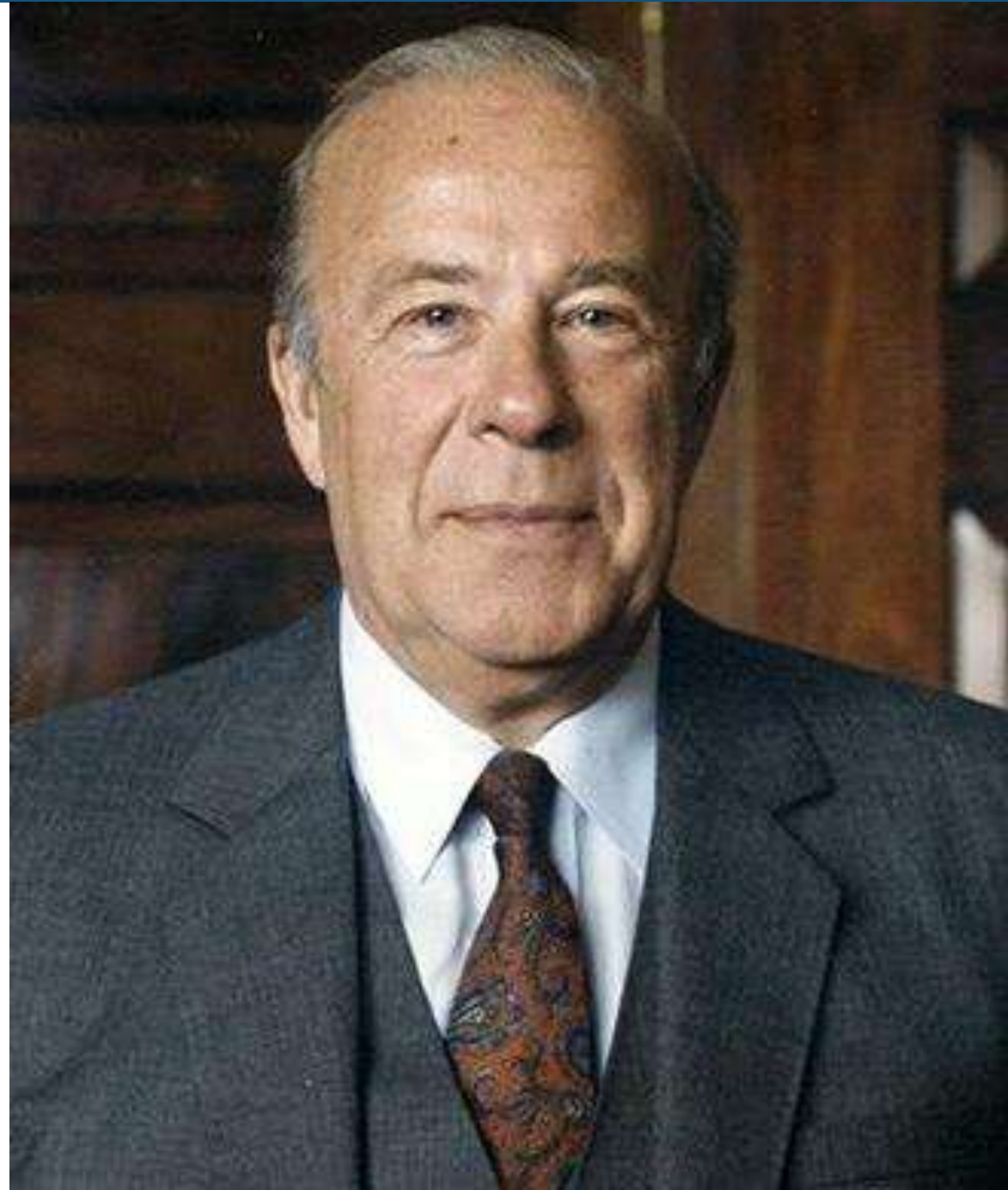
Janet Yellen
Former Chair of Federal Reserve
Former Chair of CEA

Supporters

“I fully support the bipartisan Energy Innovation and Carbon Dividend Act. Its predictability mitigates price uncertainty, and its full dividend return makes it politically durable.”

George P. Shultz

Former U.S State and Treasury Secretary;
CCL Board Member



Supporters

“...we now have a climate bill that serves the people by cutting carbon emissions and putting money in people's pockets. ... This bill gives us the chance to fight [climate change] seriously and on a big scale. I encourage everyone to support the bipartisan Energy Innovation and Carbon Dividend Act.”

James Hansen

Climate Scientist, Former Director of the NASA
Goddard Institute for Space Studies, Adjunct
Professor at Columbia University's Earth Institute;
CCL Board Member



Endorsers at a Glance

434

Prominent
Individuals

681

Businesses

14

Education

111

Faith Groups

113

Local Governments

24

News Media

178

Nonprofits

48

Other

6

Tribal Entities

Find more info on
the HR 763 bill
and endorsers at

energyinnovationact.org/